

**TOWN OF ALINE  
ALFALFA COUNTY, OKLAHOMA**

**ACCOUNTANT'S REPORT  
FISCAL YEAR ENDED  
JUNE 30, 2013**

***WILLIAM K. GAUER  
CERTIFIED PUBLIC ACCOUNTANT  
WATONGA, OKLAHOMA***

**WILLIAM K. GAUER**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON  
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON  
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Aline  
Aline, Oklahoma

Trustees of the Aline Public Works Authority  
Aline, Oklahoma

Oklahoma Office of State Auditor and Inspector  
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances Cash Basis of the Town of Aline and Public Trusts, Aline, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

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Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes § 117 (105-107) and § 60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Aline is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Procedures and Findings**

As to the Town of Aline as of and for the fiscal year ended June 30, 2012:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

**Findings:** None

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

**Findings:** No Budget filed for the fiscal year.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** None

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**4. Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** None

**5. Procedures Performed:** We compared use of material restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:** None

**6. Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** None

**7. Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** None

As to the **Aline Public Works Authority**, as of and for the fiscal year ended June 30, 20B:

**1. Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

**Findings:** None

**2. Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

**Findings:** None

**3. Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**Findings:** None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON  
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON  
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**  
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**4. Procedures Performed:** We compared the Authority's use of materialrestricted revenues and resources to their restrictions to report any noted instances of noncompliance.

**Findings:**

**5. Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

**Findings:** None

**6. Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

**Findings:** None

As to the **Town of Aline and Public Works Grant Programs**, as of and for the fiscal year ended June 30, 2013:

**1. Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying ExhibitD) and compared the receipts and disbursements to grant agreements and supporting information to report any notedinstances of noncompliance with the grant agreement.

**Findings:** None

I was not engaged to and did not conduct an examination, the objective of which wouldbe the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely forthe information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

  
August 23, 2014

**Exhibit A**  
Town of Aline  
And

Aline Public Works Authority  
Summary of Changes in Fund Balances-Budgetary Basis  
For the Fiscal Year Ended June 30, 2013

	Beginning of Year	Current Year	Current Year	End of Year
	Fund Balances	Revenue	Expenditures	Fund Balances
<b>TOWN:</b>				
General Fund:				
Operating Account	\$ 64,340	67,625.44	\$ 89,493	\$ 42,473
Investments (CD)	85,487	40,166	-	125,654
<b>Total General Fund</b>	<b>149,827</b>	<b>107,792</b>	<b>89,493</b>	<b>168,126</b>
	-	-	-	-
<b>Town Subtotal</b>	<b>149,827</b>	<b>107,792</b>	<b>89,493</b>	<b>168,126</b>
<b>PUBLIC WORKS AUTHORITY:</b>				
PWA Utility Fund:				
Operating Account	27,077	74,591	72,770	28,897
Investments (CD)	84,551	507	-	85,058
	<b>111,629</b>	<b>75,097</b>	<b>72,770</b>	<b>113,955</b>
PWA Capital Assets, net	176,632	-	-	176,632
PWA Meter Fund	(5,200)	730	94	(5,836)
	<b>283,061</b>	<b>75,827</b>	<b>72,864</b>	<b>284,751</b>
<b>PWA Subtotal</b>	<b>283,061</b>	<b>75,827</b>	<b>72,864</b>	<b>284,751</b>
<b>Overall Totals</b>	<b>\$ 432,888</b>	<b>\$ 183,619</b>	<b>\$ 162,357</b>	<b>\$ 452,877</b>

**Exhibit B**  
**Town of Aline**  
**Budgetary Comparison Schedule General Fund-Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Beginning Budgetary Fund Balance:</b>	<b>\$ 149,827</b>	<b>\$ 149,827</b>	<b>\$ 149,827</b>	<b>\$ -</b>
<b>Resources (Inflows):</b>				
<b>Taxes:</b>				
Sale Tax	-	-	28,364	28,364
Use Tax			3,981	3,981
Franchise Tax			8,488	8,488
Tobacco Tax			375	375
<b>Total Taxes</b>	<b>-</b>	<b>-</b>	<b>41,208</b>	<b>41,208</b>
<b>Intergovernmental:</b>				
Motor Vehicle Tax	-	-	1,466	1,466
Alcoholic Beverage Tax	-	-	4,210	4,210
Gas Excise Tax	-	-	-	-
Grant Revenue	-	-	4,484	4,484
<b>Total Intergovernmental</b>	<b>-</b>	<b>-</b>	<b>10,160</b>	<b>10,160</b>
<b>Charges for Services:</b>				
Fire Runs	-	-	1,750	1,750
<b>Total Services</b>	<b>-</b>	<b>-</b>	<b>1,750</b>	<b>1,750</b>
<b>Investment Income</b>	<b>-</b>	<b>-</b>	<b>255</b>	<b>255</b>
<b>Miscellaneous Income</b>				
Sale of Property	-	-	-	-
Rental Income	-	-	12,000	12,000
Royalties	-	-	44	44
Donations	-	-	1,795	1,795
Refunds, misc.	-	-	581	581
<b>Other Financing Sources:</b>				
Transfer from Other Funds	-	-	-	-
<b>Total Resources</b>	<b>-</b>	<b>-</b>	<b>67,792</b>	<b>67,167</b>
<b>Amounts Available for Appropriation</b>	<b>149,827</b>	<b>149,826.90</b>	<b>217,619</b>	<b>67,167</b>
<b>Charges to Appropriations (Outflows):</b>				
Personnel Services	-	-	9,828	9,828
Maintenance and Operations	-	-	39,665	39,665
Capital Outlay	-	-	-	-
<b>Other Financing Uses:</b>				
Transfers to other funds	-	-	-	-
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>-</b>	<b>49,493</b>	<b>49,493</b>
<b>Ending Budgetary Fund Balance</b>	<b>149,827</b>	<b>\$ 149,827</b>	<b>\$ 168,126</b>	<b>\$ 17,675</b>

**Exhibit C**  
**Aline Public Works Authority**  
**Statement of Revenues, Expenses and Changes in Fund Balance-Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2013**

<b>Operating Revenues:</b>	
Charges for Services:	
Water Receipts	\$ 32,492
Sewer Receipts	13,588
Garbage Receipts	23,905
Reconnect Fees	360
Penalties and Charges	1,838
Total Operating Revenues	<u>72,183</u>
<b>Operating Expenses:</b>	
<b>Personnel Service:</b>	
Payroll Expense	14,700
Payroll Taxes	2,276
<b>Maintenance &amp; Operations:</b>	
Office Supplies	1,253
Telephone	325
Utilities	4,251
Garbage Expense	20,250
Land Lease	3,900
Lab Testing	2,929
Repairs & Maintenance	22,756
Dues	131
Total Operating Expenses:	<u>72,770</u>
Operating Income	(586)
<b>Non-Operating Revenue (Expenses):</b>	
Investment Income	549
Interest Expense	-
Miscellaneous	1,729
Total Non-Operating Revenues (Expenses)	<u>2,278</u>
<b>Net Income (Loss) Before Contributions and Transfers</b>	1,690
<b>Capital Contributions</b>	
Transfers In	-
Transfers Out	<u>-</u>
<b>Change in Fund Balance</b>	1,690
<b>Fund Balance - Beginning</b>	<u>283,061</u>
<b>Fund Balance - Ending</b>	<u><u>\$ 284,751</u></u>

See Accompanying Accountant's Report



**EXHIBIT D**  
Town of Aline  
Cherokee County, Oklahoma  
Schedule of Grant Activity  
For Year Ended June 30, 2013

<b>TOWN:</b>	<u>Grant Award</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Remainder</u>
Department of Agriculture				
Fire Department Grant	\$ 4,484	\$ 4,484	\$ 4,484	\$ -
<b>Town Subtotal</b>	<u>4,484</u>	<u>4,484</u>	<u>4,484</u>	<u>-</u>
<b>PUBLIC WORKS AUTHORITY:</b>				
<b>PWA Subtotal</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Overall Totals</b>	<u>\$ 4,484</u>	<u>\$ 4,484</u>	<u>\$ 4,484</u>	<u>\$ -</u>